

# TRADE, INVESTMENT, AND FINANCIAL STABILITY: Generating Growth Through Sound Policies

Leaders at the Quebec City Summit agreed on an agenda to promote growth in our hemisphere. Expanding free trade across the hemisphere is a cornerstone of this agenda. Together, our countries represent a \$13 trillion market of 34 countries and nearly 800 million people.

Free trade alone will not guarantee prosperity, however. Leaders in Quebec City recognized that economic and financial stability, private investment, and corporate social responsibility are all necessary components for sustained growth.

Fulfilling this pro-growth agenda requires the right set of economic policies. For too long, Latin America and the Caribbean have suffered from weak and inconsistent growth: Per capita output in the region remains lower than it was in 1997. Improved macroeconomic management, combined with a more favorable international environment, should reverse these trends in the short-term. But sustained growth for Latin America and the Caribbean demands policy consistency, openness, and transparency for trade and investment, and stronger institutions.

The United States leads efforts to implement a hemispheric pro-growth agenda. We are committed to negotiations on the Free Trade Area of the Americas and will go beyond the baseline agreement with countries willing to take on higher levels of commitment. We regularly consult with other governments on the macroeconomic environment. But the greatest U.S. contribution to hemispheric economic growth comes from our private sector: investors, businesses, and consumers. Freeing the private sector across the hemisphere is the key to long-term growth.



A view of the Panama Canal, an important thoroughfare for international trade in the Western Hemisphere. (Julie Plasencia, AP/WWP)

## U.S. ACTIONS TO IMPLEMENT THE HEMISPHERE'S AGENDA

- The U.S. is advancing **trade liberalization** competitively throughout the hemisphere. Since Quebec City, the U.S. signed a free trade agreement with Chile, concluded free trade negotiations with Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic, and agreed to negotiate new trade deals with the Andean countries and with Panama.
- The U.S. has completed eight Bilateral Investment Treaties (BITs) that are in force in the Western Hemisphere and announced its intent to negotiate a treaty with Uruguay. BITs help make investment more attractive by providing greater **investor security**.
- Recognizing the duty of business to help build prosperous societies, the U.S. co-sponsored the first hemisphere-wide conference on **Corporate Social Responsibility** in Miami. We have maintained our support of this vital issue by co-sponsoring a follow-up conference in Panama City.